

***City of Miami Springs Police and Firefighters'
Retirement System
Minutes of the Meeting Held
February 7, 2013***

The regular meeting of the Board of Trustees of the City of Miami Springs Police and Firefighters' Retirement System was called to order at 8:32 AM by Chairman Peter Baan in the Commission Chambers at the City of Miami Springs City Hall at 201 Westward Drive, Miami Springs, Florida.

TRUSTEES PRESENT

Peter Baan, Chair
Oscar Garcia, Trustee
Jonathan Kahn, Trustee
Raymond Buckner, Trustee
Robert Gordon, Trustee

OTHERS PRESENT

Audrey Ross, Pension Resource Centers (PRC)
Steve Cypen, Cypen & Cypen
Grant McMurry, ICC Capital Management
Brendon Vavrica, Thistle Asset Consulting
William Alonso, City of Miami Springs – Finance Dir

INVESTMENT MANAGER REPORT: ICC CAPITAL MANAGEMENT (GRANT MCMURRY)

Mr. McMurry reviewed the current market environment during the last quarter and stated that overall it was a good quarter. He noted that last quarter they did not own any Apple stock and it hurt them, but now Apple is starting to drop. For the quarter ending December 31, 2012 the total fund net of fees out performed the index at 2.79% versus -0.11% and for the year to date they are also ahead at 12.72% versus the index at 12.14%. Mr. McMurry commented that January was a great month as well and they are up another 6%. He stated that he is still concerned about bonds and the 10 year Treasury because with the rates remaining low, bonds will continue to stay with a low yield and high prices.

Mr. McMurry updated the board in the transition with his company and Munder. He briefly touched on this at the last meeting, but he stated that as of now that transition is no longer set to happen. He explained the ICC liked their products, but Munder was not willing to take on the current ICC staff. Mr. McMurry was not going to let go of his 22 employees, so therefore he backed out of the agreement at last minute. Business as usual.

INVESTMENT CONSULTANT REPORT: THISTLE ASSET CONSULTING (BRENDON VAVRICA)

Mr. Vavrica reported that it was a very good quarter and this fund ranked number one against their peers. During the quarter value outperformed growth and small cap outperformed large cap which is unusual. He briefly reviewed the compliance checklist and noted that all managers are in compliance with the scrutinized companies list. Mr. Vavrica reviewed the funds assets and performance as of December 31, 2012. He noted that there is a lot of cash on hand at the close of the quarter because ICC was raising it so that Polen Capital could be funded on January 1, 2013. The total fund net of fees outperformed the index at 2.74% versus -0.07% for the quarter, and for the year they are also ahead at 12.60% versus the index at 11.58%. Mr. Vavrica reported that fixed income was the only underperforming sector in the fund during the quarter, but they are still ahead for the year.

Mr. Vavrica reminded the Trustees that last quarter they hired American Realty so now they need to decide where to take the money from to fund them. He reviewed a couple of different scenarios and commented that his recommendation is to take 7.5% from fixed income and fund it to Real Estate. The Trustee had a lengthy discussion on where to take

the funds from and how much.

MOTION: Mr. Garcia made a motion to approve and authorize the transfer of 7.5% from fixed income to fund the new American Realty fund.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 5-0.

Mr. Vavrica passed out a revised Investment Policy Guidelines (IPG) to include an allocation to Real Estate. He reviewed the revisions and commented that Polen Capital sometimes buys into International stocks which could move the plans allocation to International up over the 10% allocation to 12%. Therefore Polen is asking that the board increase their International allocation up to 15%, which is still under the 25% limit by the State of Florida. Mr. Vavrica noted that Thistle is fine with this request.

MOTION: Mr. Gordon made a motion to approve the revised Investment Policy Guidelines as presented.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 5-0.

Lastly Mr. Vavrica reported that Polen Capital is on board so now the board can set a schedule for the manager presentations. The Trustees stated that they would like to see both managers next quarter, and then they will make a schedule from there.

MINUTES

The board reviewed the minutes of the September 9, 2012 special meeting, the October 17, 2012 special meeting, and the November 1, 2012 regular meeting.

MOTION: Mr. Deal made a motion to approve the minutes of the September 9, 2012 special meeting, the October 17, 2012 special meeting, and the November 1, 2012 regular meeting as amended.

SECOND: Mr. Kahn seconded the motion.

CARRIED: The motion carried 3-0.

DISBURSEMENTS APPROVAL

Ratification of warrants processed since the February 7, 2013 Meeting

274	Salem Trust Company 7/1/12 - 9/30/2012 (Custodian Fee)	\$2,845.60	10/15/12
	Cypen & Cypen Invoice #6451 (November 2012 Legal Fee)	\$1,250.00	11/1/12
	Thistle Asset Consulting, Inc. Inv #20120917 (Executive Reports for the Quarter Ending September 30, 2012)	\$4,398.00	10/22/12
	Resource Centers, LLC - Invoice #12160 (November 2012 Admin Fee)	\$900.00	10/31/12
	FPPTA - 2013 Annual Membership Renewal Fee	\$600.00	11/6/12
275	FPPTA - Trustee School Registration for Rob Gordon (January 27-30, 2013 in Ponte Vedra Beach, FL)	\$450.00	11/29/12
	FPPTA - CPPT Certification Fee for Rob Gordon	\$900.00	11/29/12

	Holland & Knight LLP - Invoice #2847286 for professional services rendered through October 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$700.00	11/13/12
	Resource Centers, LLC - Invoice #12221 (December 2012 Admin Fee)	\$900.00	11/30/12
	Sawgrass Marriott Golf Resort & Spa - Hotel Reservations for Rob Gordon (FPPTA Trustee School, January 27-30, 2013, Ponte Verda Beach, FL)	\$501.00	11/30/12
	Gabriel Roeder Smith & Company - Inv #120033 for services rendered through 10/31/12. (Plan Redesign Study Work = \$2,933; Charges since 9/30/12 for Preparation of the 10/1/12 Actuarial Valuation Report = \$461 & Underpayment from Invoice #119584 = \$70)	\$3,464.00	11/9/12
276	Holland & Knight LLP - Invoice #2851633 for professional services rendered through November 15, 2012 (Pension Plan Compliance Review - IRS Determination Letter).	\$100.00	11/28/12
	Gabriel Roeder Smith & Company - Inv #120217 for services rendered through 11/30/12 - Final Charges for Plan Redesign Study Work	\$9,530.00	12/10/12
	Cypen & Cypen (Inv #6477 - December 2012 Legal Fee)	\$1,250.00	12/1/12
277	Gabriel Roeder Smith & Company - Inv #120501 for services rendered through 12/31/12. (Actuarial Impact Statement & Supplemental Valuation for Ordinance 1049-2012 = \$1,968 & Actuarial Impact Statement for Ordinance 1048-2012 = \$362)	\$2,330.00	1/7/13
	Cypen & Cypen Invoice #6503 (January 2013 Legal Fee)	\$1,250.00	1/2/13
	Thistle Asset Consulting, Inc. Inv #20121222 (Executive Reports for the Quarter Ending December 31, 2012)	\$6,648.00	1/21/13
	Resource Centers, LLC - Invoice #12270 (January 2013 Admin Fee)	\$935.00	1/2/13
	ICC Capital Management, Inc. Inv #57532847 (1/1/2013 thru 3/31/2013 Quarterly Management Fee)	\$28,060.18	1/4/13

MOTION: Mr. Kahn made a motion to approve Warrants 274 through 277.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 5-0.

BENEFIT APPROVALS:

- **Applications to Enter the DROP:**
 - * Charlene Navarro
 - * Jonathan Kahn
 - * Peter Baan
 - * Randall Walker

MOTION: Mr. Kahn made a motion to approve the applications to enter the DROP for Charlene Navarro & Randall Walker.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 5-0.

MOTION: Mr. Gordon made a motion to approve the application to enter the DROP for Peter Baan.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

*Mr. Baan abstained from this vote due to his benefit being approved. Form 8b is on file with the plan minutes.

MOTION: Mr. Garcia made a motion to approve the application to enter the DROP for Jonathan Kahn.

SECOND: Mr. Deal seconded the motion.

CARRIED: The motion carried 4-0.

*Mr. Kahn abstained from this vote due to his benefit being approved. Form 8b is on file with the plan minutes.

OLD BUSINESS

Mr. Vavrica explained that a couple of months ago the board interviewed some International managers so now he wanted to know what the board's consensus is at this time. The Trustees discussed and commend that they are not interested in moving into International right now, but they would like to revisit it again in the near future.

NEW BUSINESS

N/A

OTHER BUSINESS

Ms. Ross presented the board with the Actuarial Impact statement that was recently completed regarding the recent Ordinance changes. A copy of this statement will be sent to the Division of Retirement along with a copy of the final amended Ordinance.

REPORTS

•Administrator: PRC (Audrey Ross)

- Ms. Ross presented the board a letter from Salem Trust regarding the benefit enhancement changes that are effective April 1, 2013. The letter states that any member who is receiving their pension payment via a paper check will now have the option to either sign up for direct deposit, or Salem Trust will issue the member a debit card and their monthly pension payment would be uploaded to the debit card each month. Salem Trust is notifying the members who are in this salutation directly.
- Ms. Ross presented the board with a list of DROP members and their corresponding DROP exit dates. She discussed what date should be used when a member exits the DROP; the last day of the month that they can work, or the beginning of that month in which the Actuary is tracking. The Trustees noted that the last day of the month should be reflected since the member is eligible to work throughout their last month in the DROP. Ms. Ross concurred and noted that she will revise the dates on the spreadsheet and resend it out.

•Attorney (Steve Cypen)

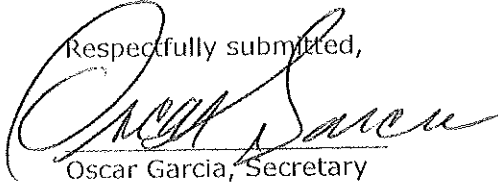
NEXT MEETING DATE

Thursday May 2, 2013 @ 8:30 AM

ADJOURN

There being no further business, a motion was made to adjourn the meeting at 9:33 AM.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Oscar Garcia", written over a horizontal line.

Oscar Garcia, Secretary